



# Indian Health Service Press Release

IHS- 10-2003

May 1, 2003

**FOR IMMEDIATE RELEASE**

Contact: (301) 443-3593, FAX (301) 443-0507

---

---

## Indian Health Service Fiscal Year 2003 Appropriation Results in 3.3% Funding Increase

*for Presidential 2003 budget request refer to IHS press release at:*

[http://www.ihs.gov/PublicInfo/PublicAffairs/PressReleases/Press\\_Release\\_2002/Release\\_2\\_IHS\\_2003\\_Budget\\_Release\\_Docs.asp](http://www.ihs.gov/PublicInfo/PublicAffairs/PressReleases/Press_Release_2002/Release_2_IHS_2003_Budget_Release_Docs.asp)

The budget authority for the Indian Health Service (IHS), an agency in the Department of Health and Human Services (HHS), for fiscal year (FY) 2003 is approximately \$2.9 billion, after rescission. This is a \$91 million (or 3.3%) increase above the FY 2002 appropriation, and \$34 million over the President's budget request. After adding in funds from health insurance collections estimated at \$555 million, mandatory diabetes funds of \$100 million, and \$6 million in funding for staff quarters rental collections, FY 2003 budget program level spending for the IHS totals \$3.5 billion. This is an increase of \$117 million from the FY 2002 total program level. This increase reflects the impact of the Department's tribal budget consultations and a continuing Federal Government commitment to provide for the health of members of federally recognized tribes.

### **PROGRAM HIGHLIGHTS**

#### Clinical Services

In order to facilitate the provision of high-quality health care services to American Indian and Alaska Native people, IHS Clinical Services will receive an increase of \$82 million, or 4%, over FY 2002 levels. This includes increases in clinical services areas such as dental (\$4 million), mental health (\$3 million), and alcohol and substance abuse prevention and treatment (\$2 million). Also, to partially offset the increased cost of purchasing medical care from the private sector that cannot be provided by the IHS, \$14 million is being added to the Contract Health Services allocation.

Tribal Contract Support Costs: The budget includes \$269 million for Contract Support Costs, an increase of \$1 million over FY 2002 levels. Contract Support Costs are additional costs that Tribes incur when they take over the operation of local health programs from the IHS. Tribes and tribal organizations currently operate 13 hospitals and 435 various types of health facilities through contracts with the IHS authorized by the Indian Self-Determination and Education Assistance Act (Public Law 93-638). Through P.L. 93-638 and other similar mechanisms, Tribes manage approximately 52% of the funds appropriated to the IHS.

Tribal Management Grants and Office of Self-Governance funding: The budget includes \$2.39 million for Tribal Management Grants (reduced \$16,000 over 2002 levels by the rescission) and \$5.55 million for the Self-Governance budget (a program reduction of \$4.5 million over the 2002 level). Tribal Management Grants are competitively awarded to assist Tribes and Tribal Organizations to assume all or part of existing IHS programs, services, functions, and activities. The Office of Self-Governance funding is for operational costs and for funding tribal shares for new compacts, special circumstances, and support of special projects that enhance self-governance activities.

Pay Costs: An additional \$18 million, spread across several program areas, will go toward increased pay costs for Federal employees (including retirement and health benefits) and \$14 million will go toward comparable pay cost increases in tribal programs.

#### Facility Staffing

The bill includes \$17 million to phase in additional staff hired for a new hospital serving the Navajo Tribe in Arizona and a new hospital serving the Winnebago and Omaha Tribes in Nebraska; and to staff the Parker Health Center, serving the Colorado River Tribes in Arizona. While there are existing IHS facilities that serve these Tribes, the opening of these modern health facilities will significantly improve both the quality and the quantity of health care provided. When these facilities are fully operational, they will accommodate a total of 130,000 outpatient visits to health professionals annually, an increase of 31%, and make new medical services available at these sites (e.g., inpatient adolescent psychiatric treatment at the Navajo hospital, physical therapy at Parker).

Health Facilities Construction: Funding of \$82 million is being appropriated to continue construction of the top ranked projects from the Health Care Facility Construction Priority System. This is \$4 million less than provided in FY 2002.

Sanitation Facilities Construction: The appropriation includes \$93 million to continue construction of waste water and solid waste disposal systems for Indian homes. This amount will provide services for approximately 3,300 new and 11,200 existing Indian homes.

The IHS is the principal federal health care advocate and provider for approximately 1.6 million American Indians and Alaska Natives who belong to more than 560 federally recognized Tribes in 35 states. It is composed of 12 regional offices and a system of 49 hospitals, 221 health centers, 123 health stations, and 170 Alaska village clinics, and provides support to 34 urban projects. The IHS and tribal health care system delivers approximately 11 million patient services annually.

*Editor's Note: all numbers cited in this release are approximates and may vary from other documents due to rounding and estimations.*



NOTICE TO EDITORS: For additional information on this subject, please contact Dianne Hammack, IHS Public Affairs Office, at 301-443-3593. Additional information about the IHS is available on the IHS website <http://www.ihs.gov> and <http://info.ihs.gov>



## FY 2003 Budget Authority Overview for the Indian Health Service

*(Dollars in millions—items may not add up to totals due to rounding)*

	FY 2002 Actual	FY 2003 Proposed	FY 2003 Enacted (w/ rescission)	FY 2003 enacted +/- FY 2002 actual
<b>HEALTH SERVICES:</b>				
Clinical Services	\$ 1,892	\$ 1,945	\$ 1,974	+82
Preventive Health	100	103	103	+3
Contract Support Costs	268	271	269	+1
Urban Health	31	32	31	0
Health Professions	31	35	31	0
Direct Operations	55	55	60	+5
Self-Governance/Tribal Mgmt	12	13	8	-4
<b>Subtotal, Health Services Program</b>	<b>\$ 2,389</b>	<b>\$ 2,454</b>	<b>\$ 2,476</b>	<b>+87</b>
<b>INDIAN HEALTH FACILITIES:</b>				
Facilities and Environmental Health Support	\$ 127	\$ 133	\$ 132	+5
Health Care Facilities Construction	86	72	82	-4
Sanitation Facilities Construction	94	94	93	-1
Maintenance & Improvement	46	47	49	+3
Medical Equipment	16	16	17	+1
<b>Subtotal, Facilities Program</b>	<b>\$ 369</b>	<b>\$ 362</b>	<b>\$ 373</b>	<b>+4</b>
<b>TOTAL BUDGET AUTHORITY</b>	<b>\$ 2,758</b>	<b>\$ 2,816</b>	<b>\$ 2,850</b>	<b>+91</b>
<b>FUNDS ALLOCATED FROM OTHER SOURCES:</b>				
Diabetes Special Appropriation	100	100	100	0
<b>COLLECTIONS:</b>				
Insurance	529	555	555	+26
Staff Housing	6	6	6	0
<b>Subtotal, Other Sources</b>	<b>\$ 635</b>	<b>\$ 661</b>	<b>\$ 661</b>	<b>+26</b>
<b>TOTAL PROGRAM LEVEL</b>	<b>\$ 3,394</b>	<b>\$ 3,477</b>	<b>\$ 3,510</b>	<b>+117</b>